



強制性公積金計劃管理局
MANDATORY PROVIDENT FUND
SCHEMES AUTHORITY

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30 November 2016

Circular Letter: RP/CTR/2016/001

To: All Approved Trustees of Registered Schemes

Dear Sirs,

**Reference Portfolios for the Constituent Funds under
Default Investment Strategy**

As set out in paragraph 18 of Guidelines III.14 on Default Investment Strategy (“Guidelines”), a reference portfolio has been developed by the industry, to which recognition has been given by the Authority for the purpose of the Code on Disclosure for MPF Investment Funds (“Code”). The main purpose of the recognized reference portfolios is to provide a common reference point for the approved trustees to report to members about the relative performance of the Core Accumulation Fund (“CAF”) and the Age 65 Plus Fund (“A65F”) in each scheme in accordance with paragraph D2.3(h) of the Code.

The amendments to the relevant disclosure requirements are set out in the seventh edition of the Code, which will be formally issued upon completion of the legislative scrutiny of the Mandatory Provident Fund Schemes (Amendment) Ordinance 2016 (Commencement) Notice (L.N. 156 of 2016). Paragraph D2.3(h) of the Code, as amended, provides as follows:

“Performance measurement against recognized reference portfolio – for the Core Accumulation Fund (“CAF”) and the Age 65 Plus Fund (“A65F”), a comparison of the performance of the CAF and the A65F respectively against the relevant recognized reference portfolio over the periods of 1, 5, 10 years and since launch as a constituent fund of the DIS and a brief description of the reason for any material difference between the return of the fund and the relevant recognized reference portfolio over any of those periods of 1, 5, 10 years and since launch as a constituent

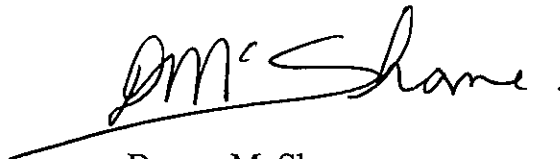
fund of the DIS. Material difference means a difference in annualized performance of a constituent fund of the DIS that exceeds (i) 2.5 percentage points either side of the annualized performance of the recognized reference portfolio where the reporting date of the fund fact sheet falls on or before 30 June 2019; and (ii) 2.0 percentage points either side of the annualized performance of the recognized reference portfolio where the reporting date of the fund fact sheet falls after 30 June 2019.”

For the purposes of paragraph D2.3(h) of the Code, and as referred to in paragraph 18 of the Guidelines, the Authority has, through exchange of letters with the Hong Kong Investment Funds Association (“HKIFA”) and the Hong Kong Trustees’ Association, recognized the reference portfolio for each of the CAF and the A65F respectively. The two recognized reference portfolios are shown on the website of the HKIFA.

For the purpose of ascertaining the annualized performance of the recognized reference portfolios for the purposes of paragraph D2.3(h) of the Code, approved trustees should use the performance of the recognized reference portfolio for each of the CAF and the A65F respectively, shown on the website of the HKIFA for relevant periods.

Should you have any queries on the above, please feel free to contact your case officer at the Authority.

Yours faithfully,

A handwritten signature in black ink, appearing to read "DMcShane", with a horizontal line drawn underneath it.

Darren McShane
Chief Regulation & Policy Officer and
Executive Director